

# SPECIAL NOTICE

July 16, 2004

For further information contact:  
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1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715  
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## Aircraft Prototype Exemption

Effective July 1, 2004, *administration* of the tax exemption for tangible personal property incorporated into aircraft prototypes has been revised in order to conform to the national Streamlined Sales and Use Tax Agreement. (SB 5783 Chapter 168, Laws of 2003)

Businesses that qualify for the exemption will now pay the sales tax or use tax to the vendor and then apply directly to the Department of Revenue for a refund using the Aircraft Prototype Refund form (REV 41 0088), which can be downloaded from our web site at <http://dor.wa.gov/docs/forms/misc/arcrcftprototyperefnd.pdf>.

RCW 82.08.02566 and RCW 82.12.02566 provide a sales tax and use tax exemption for purchases of tangible personal property incorporated into a prototype for aircraft parts, auxiliary equipment, or modifications. In addition, the exemption applies to purchases of tangible personal property that at one time is incorporated into the prototype but is later destroyed in the testing or development of the prototype.

- ◆ The exemption does not apply to purchases by any person whose gross income of the business or value of products manufactured (less any amounts for which a Multiple Activities Tax Credit is allowed) exceeds \$20 million during the immediately preceding calendar year.
- ◆ The total exemption amount received by any person cannot exceed \$100,000 during any calendar year.

If you have questions contact Gary Grossmann at (360) 705-6646.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.